

The Honorable Ronald B. Leighton

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA**

CHERYL KATER and SUZIE KELLY,  
individually and on behalf of all others  
similarly situated,

*Plaintiffs,*

v.

CHURCHILL DOWNS INCORPORATED, a  
Kentucky corporation, and BIG FISH  
GAMES, INC., a Washington corporation.

*Defendants.*

No. 3:15-cv-00612-RBL

**PLAINTIFFS' REPLY IN SUPPORT OF  
MOTION FOR TEMPORARY  
RESTRAINING ORDER AND LIMITED  
RELIEF FROM LITIGATION STAY**

NOTE ON MOTION CALENDAR:  
October 17, 2019

HEARING DATE: November 4, 2019

MANASA THIMMEGOWDA, individually  
and on behalf of all others similarly situated,

*Plaintiff,*

v.

BIG FISH GAMES, INC., a Washington  
corporation; ARISTOCRAT  
TECHNOLOGIES INC., a Nevada  
corporation; ARISTOCRAT LEISURE  
LIMITED, an Australian corporation; and  
CHURCHILL DOWNS INCORPORATED, a  
Kentucky corporation,

*Defendants.*

No. 2:19-cv-00199-RBL

**PLAINTIFF'S REPLY IN SUPPORT OF  
MOTION FOR TEMPORARY  
RESTRAINING ORDER AND LIMITED  
RELIEF FROM LITIGATION STAY**

NOTE ON MOTION CALENDAR:  
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Defendants insist they have acted properly, but their words don't line up with their actions. They assure the Court that the pop-up window they foisted upon putative class members was intended only to provide "additional information" about the Terms of Use, but the pop-up expressly required putative class members to click a button that says, "I AGREE TO THE TERMS OF USE." They insist that they have not been misleading, but statements in their brief about the legal import of the pop-up and updated Terms directly conflict with what they told putative class members. And they promise that they haven't acted coercively, an assertion that—now that Plaintiffs have had a brief opportunity to gather evidence in the wake of their emergency TRO filing—proves to be spectacularly false.

Because the issue is not before the Court on this motion for a TRO, Plaintiffs decline Defendants' invitation to litigate the propriety of Big Fish's pre-August Terms of Use and purported arbitration agreement (although the unwarranted assumption that their position on that issue is correct pervades nearly all of Defendants' arguments). Instead, Plaintiffs offer a focused reply showing: (1) that there is sufficient evidence to conclude that Plaintiffs are likely to succeed on the merits of their claim that the August 28 Terms of Use and attendant pop-up were improper communications; (2) that Plaintiffs and putative class members will suffer irreparable harm absent a TRO; and (3) that regardless of its decision on the TRO, the Court should grant limited reprieve from the stay to permit resolution of this serious issue.

**I. Plaintiffs Are Likely to Succeed In Demonstrating that Defendants' Communications Are Improper.**

Defendants offer three main reasons why they believe Plaintiffs are unlikely to succeed on the merits. First, they contend that their communications aren't coercive, and that Plaintiffs have no proof to the contrary. But Plaintiffs don't have to prove their entitlement to relief to obtain a TRO, nevertheless, they have attached substantial evidence to their reply, now that they have had time to gather it. Second, Defendants argue that their communications were not misleading. Statements in their brief, however, *directly conflict* with the pop-up and the new

1 Terms. Third, Defendants contend that they aren't trying to discourage participation in these  
2 cases, but that just isn't credible.

3 **A. Defendants' Communications Are Coercive.**

4 Defendants confuse the requirements to obtain temporary injunctive relief with the  
5 requirements for the ultimate relief plaintiff will seek under *Gulf Oil Co. v. Bernard*—exercise of  
6 the district court's authority to prevent "abuses" by "limiting communications between parties  
7 and potential class members[.]" 452 U.S. 89, 100-02 (1981). They complain that Plaintiffs do not  
8 include "any *evidence* that a putative class member was actually coerced by the challenged  
9 language[.]" (Opp. 15.) But they fail to recognize that even at the preliminary injunction stage,  
10 admissible evidence need not be presented because "[t]he urgency of obtaining a preliminary  
11 injunction necessitates a prompt determination and makes it difficult to obtain affidavits from  
12 persons who would be competent to testify at trial." *Flynt Distrib. Co., Inc. v. Harvey*, 734 F.2d  
13 1389, 1394 (9th Cir. 1984). A TRO is even *more* expedited than a preliminary injunction. In the  
14 three days between when Plaintiffs learned of the new pop-up and when they filed their TRO  
15 motion, they simply did not have time to gather declarations proving that putative class members  
16 were coerced by Defendants' pop-up. Under these circumstances, the allegations in the  
17 complaint about the nature of Big Fish Casino, the inherently coercive nature of forcing people  
18 to click "I Agree" in order to access their paid-for chips, and Dr. Schüll's letter are sufficient  
19 evidence to grant this preliminary relief.

20 In any event, Plaintiffs have now obtained exactly the evidence Defendants complain was  
21 lacking. Fifteen players who have collectively lost an estimated \$1.6 million at Defendants'  
22 gambling games have provided declarations explaining their Big Fish Casino addictions.<sup>1</sup> Many  
23

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24  
25 <sup>1</sup> (See Ex. A, Decl. of Jill Interrante; Ex. B, Decl. of Crystal Fair; Ex. C, Decl. of Patsy Henson; Ex. D, Decl.  
26 of Brandt Jennings; Ex. E, Decl. of Floyd Moon; Ex. F, Decl. of Michael Etcheverry; Ex. G, Decl. of Dawn  
27 Milliken; Ex. H, Decl. of Rhonda Martinez; Ex. I, Decl. of Crystal Oland; Ex. J, Decl. of James Bennett; Ex. K,  
Decl. of Elizabeth Cash; Ex. L, Decl. of Jane Doe 2; Ex. M, Decl. of Jane Doe 3; Ex. N, Decl. of Jane Doe 4; Ex. O,  
Decl. of Tina Oliver.)

1 have made a substantial sacrifice by placing their names and deeply personal stories into the  
 2 public record. While 12 pages isn't enough to recount all of these experiences, a few examples  
 3 suffice to demonstrate the coercive nature of Defendants' actions.

4 Jill Interrante started playing Big Fish Casino so that she "could talk to people and they  
 5 couldn't see [her] crying on the inside." (Ex. A ¶ 1.) *See also* American Psychiatric Association,  
 6 Diagnostic and Statistical Manual of Mental Disorders (5th ed. 2013) § 312.31 ["DSM-V"]  
 7 (noting that one diagnostic criterion for gambling disorder is that the person "[o]ften gambles  
 8 when feeling distressed (e.g., helpless, guilty, anxious, depressed)"). Since then, she has lost in  
 9 excess of \$200,000 on Big Fish Casino, is in "financial ruins" from playing the game, knows that  
 10 she is addicted, and can't stop playing. (Ex. A ¶¶ 3-4.) Big Fish is well aware that she is having  
 11 these problems—she has called and emailed repeatedly—but it has largely ignored her, except to  
 12 present her with an arbitration agreement that it told her she must accept in order to keep playing  
 13 the game it knows she is addicted to. (*Id.* ¶¶ 4, 7.)

14 Ms. Interrante's experience is far from unique. Crystal Fair has lost half a million dollars  
 15 in five years and at times has played nearly 24 hours a day. (Ex. B ¶¶ 2-3.) Patsy Henson, who  
 16 has lost at least \$59,000 in nearly 700 transactions at Big Fish Casino, describes getting "lulled  
 17 into almost a trance, one bet after another" until two or four in the morning, skipping meals and  
 18 only getting up to "go to the bathroom when it becomes an emergency." (Ex. C ¶ 3, 6.) She has  
 19 tried "numerous times to stop" but "continue[s] to play no matter what the cost." (*Id.* ¶ 3.) *See*  
 20 *also* DSM-V ("Has made repeated unsuccessful efforts to control, cut back, or stop gambling.").  
 21 Brandt Jennings, who has lost at least \$200,000, started out spending \$5 on chips but gradually  
 22 increased to \$600 or \$700 a day. (Ex. D ¶¶ 3-4.) *See also* DSM-V ("Needs to gamble with  
 23 increasing amounts of money in order to achieve the desired excitement."). Jane Doe 2 has lost at  
 24 least \$100,000 and can't submit her declaration publicly because she is fearful that if her  
 25 husband found out the extent of her losses, it could end her marriage. (Ex. L ¶¶ 2, 4.) *See also*

1 DSM-V (“Has jeopardized or lost a significant relationship, job, or educational or career  
2 opportunity because of gambling.”).

3 Whether Defendants’ games caused these addictions or merely exploited them is a matter  
4 for another time. For now, it suffices to say that Plaintiffs have a high likelihood of success on  
5 their argument that telling addicted gamblers they have to agree not to participate in a class  
6 action in order to keep playing—when some of them can’t even stop playing to *eat or use the*  
7 *bathroom*—is coercive.

8 Apart from the addiction issue, Plaintiffs argued in their motion that Defendants’ pop-up  
9 was “inherently coercive” because it purported to force putative class members “to give up a  
10 paid-for benefit and end an ongoing business relationship in order to refuse to waive their class  
11 action rights.” *See McKee v. Audible, Inc.*, No. 17-cv-1941, 2018 WL 2422582, at \*6 (C.D. Cal.  
12 Apr. 6, 2018). And indeed, putative class members have submitted affidavits stating that they are  
13 unable to access their chip bankrolls without agreeing to Defendants’ pop-up. Floyd Moon, who  
14 has sunk more than \$175,000 into Big Fish Casino, has between \$3,000 and \$6,000 worth of  
15 chips in his account and says that once Big Fish shows him the pop-up, “[t]he pressure [he]  
16 would feel to accept the new Terms of Use so that [he] could access [his] chips is huge.” (Ex. E  
17 ¶ 7.) Another declarant estimates that she has over \$10,000 worth of chips sitting in her account.  
18 (Ex. L ¶ 7.) And while Defendants argue that the opt-out provision obviates these problems, that  
19 is false, as explained in detail in section I.B below.

20 Defendants know that by putting this pop-up into their addictive game, they are bringing  
21 to bear enormous psychological pressure on their users to agree not to participate in these cases.  
22 Acting assuredly through their lawyers, they carefully provide only limited information about the  
23 Terms of Use and, fail to advise class members of the importance of consulting counsel, and as  
24 discussed below, mislead putative class members into believing that agreeing to arbitration is the  
25 *only* way that they can continue to play the game. Plaintiffs are likely to succeed in  
26 demonstrating that Defendants’ communications are unfair and coercive.

**B. Defendants Effectively Concede that the Pop-up Was Misleading.**

When sending class notice, courts craft communications extremely carefully using “easily understood language” to avoid confusing people who don’t routinely interact with the legal system. *See* Fed. R. Civ. P. 23(c)(2)(B). Defendants, by engaging in unauthorized and misleading communications with putative class members, have upended that paradigm here. And while Defendants claim that the communications were not misleading, the differences between what they said to the Court and what they said to putative class members is striking.

One of Defendants’ main arguments, repeated throughout their brief, is that they did not act improperly because they purportedly provided putative class members with a way to opt out of the arbitration provision. That is functionally an admission that the statement in the pop-up displayed to putative class members was false. The text of the pop-up reads in relevant part:

We’ve updated our TERMS OF USE, which include mandatory arbitration and class action waiver provisions that apply to past, current, and future disputes. By clicking the button below or continuing to access this game, you agree to the Terms of Use. **This means you will not be able to participate in the class action lawsuits filed in the Western District of Washington (Case Nos. 15-cv-00612-RBL and 2:19-cv-00199-RBL).**

(Grossman Decl. Ex. F) (formatting omitted) (emphasis added). But in their brief, Defendants state that “users who have accepted the [Terms of Use] still have the right to pursue a claim for appropriate relief, either via arbitration *or through litigation if they timely opted out of the Arbitration Provision.*” (Opp. 16) (emphasis added). That is the opposite of the pop-up’s unqualified statement that continuing to play Big Fish Casino means agreeing not to participate in these class actions.

Defendants argue that the Terms of Use provided appropriate clarification regarding players’ ability to opt out of arbitration. Even if that were true, it would only further prove that the pop-up is misleading, silent as it is on the possibility of opting out. In fact, it isn’t true. The first paragraph of the Terms does indeed explain the opt-out provision, but the immediately following paragraph tells players that “The mandatory arbitration provision in these Terms of Use prevents you from participating in these class action lawsuits, even if a class is certified[,]”

1 with no explanation of what happens if someone has opted out. (Grossman Decl. Ex. E at 1.)  
 2 Only a lawyer would think it clear that a person could opt out from something “mandatory.” To  
 3 the untrained eye, this is at the very least, extremely confusing. Even to the trained eye, it’s not  
 4 clear how much the opt-out provision protects players. Defendants are silent on whether they  
 5 will argue, for example, that opt-outs received after the pop-up are ineffective because they were  
 6 submitted more than 30 days after August 28. Putative class members should not be forced to  
 7 navigate the consequences of their interactions with this complex litigation on their own, merely  
 8 because Defendants have been able to delay consideration of class certification.<sup>2</sup>

9 Defendants next argue that the communications are not misleading because it “disclose[s]  
 10 the existence of the pending litigation and the impact of the mandatory arbitration provision on  
 11 putative class members’ ability to participate in existing litigation.” (Opp. 9.) But they cite no  
 12 authority for the proposition that including *solely* that information makes their communication  
 13 proper. To the contrary, it is “erroneous” to assert that “including the name of the case and the  
 14 explanation that it was a putative class action” is sufficient to render a communication  
 15 permissible. *County of Santa Clara v. Astra USA, Inc.*, No. 05-cv-03740, 2010 WL 2724512, at  
 16 \*4 (N.D. Cal. July 8, 2010). Defendants were “required to provide enough information so that  
 17 the recipients would not be misled about the strength or extent of the claims and the purpose of  
 18 Rule 23 was not frustrated.” *See id.* Defendants’ communications omit not only the status of the  
 19 pending arbitration motions, but also the type of relief Plaintiffs seek (refund of money lost at the

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20  
 21  
 22 <sup>2</sup> Unlike most putative class members, Defendants do have lawyers, and it appears likely that those lawyers  
 23 wrote both the pop-up and the August Terms of Use. (*See* Decl. of Lindsey Barnhart) (attesting to changes in Terms  
 24 of Use based on personal knowledge). That raises the serious matter of Washington Rule of Professional Conduct  
 25 Rule 4.3. In “situations involving unrepresented persons whose interests may be adverse to those of the lawyer’s  
 26 client ... the possibility that the lawyer will compromise the unrepresented person’s interests is so great that [Rule  
 27 4.3] prohibits the giving of any advice, apart from the advice to obtain the services of another legal practitioner.”  
 Wash. R. Prof’l Conduct 4.3, cmt. 2. Defendants’ counsel should provide legal advice—such as “information  
 regarding the effect of the Arbitration Provision”—to unrepresented putative class members with adverse interests.  
*Cf. St. Barnabas Hosp., Inc. v. Ovation Pharma., Inc.*, No. 09-cv-1375, 2010 WL 11574952, at \*2 (D. Minn. June  
 24, 2010) (finding Minnesota’s Rule 4.3 not to apply in similar situation “because Defendants’ counsel clearly  
 communicated that his client’s interests are adverse to the potential class members”).



game), the existence of the Ninth Circuit’s *Kater* decision, and this Court’s holding that requiring *Kater* to arbitrate her claims would be prejudicial. *See Astra*, 2010 WL 2724512, at \*4 (noting that the defendant’s communication “neglected to advise the putative plaintiff class that the Ninth Circuit had blessed plaintiffs’ legal theory”).

Defendants’ reliance upon *Nugussie v. HMS Host N. Am.*, No. 16-cv-0268RSL, 2017 WL 1250420, at \*2 (W.D. Wash. Apr. 5, 2017), to excuse their actions is misplaced. They fail to mention that *Nugussie* involved only a “single communication” to a putative class member—a settlement offer that “notified [her] of the passage of the SeaTac wage ordinance, this lawsuit (including the claims asserted, the relief sought, and that plaintiff would be part of the class if certified), *how to contact plaintiffs’ counsel*, and the method by which the offered payment was calculated[.]” *Id.* (emphasis added). That’s a far cry from Defendants’ attempt to coerce putative class members into consigning their claims to arbitration, without any admonition to seek counsel, let alone provision of contact information for Plaintiffs’ counsel. Defendants reliance on *Nugussie* also undermines their attempt to distinguish both *Astra* and *Grewe v. Cobalt Mortgage, Inc.*, No. 16-cv-0577, 2016 WL 4211530, at \*3 (W.D. Wash. Aug. 10, 2016), which they say do not apply because those cases involve settlements. In fact, the test for improper settlement offers to putative class members “is concomitant” with the test for whether communications to putative class members are abusive generally. *Astra*, 2010 WL 2724512, at \*3.

The Northern District of California’s unpublished decision in *Adtrader, Inc. v. Google LLC*, No. 17-cv-07082, 2018 WL 1876950 (N.D. Cal. Apr. 19, 2018) is also not to the contrary, and certainly cannot “foreclose” Plaintiffs’ arguments. (Opp. 19.) There, Google undertook a “robust notification campaign” including a “red-alert bar notice ... which asked them to ... choose to accept, decline, or defer by clicking a radio button at the bottom of the notice[.]” *before* any class action litigation was filed. *Adtrader*, 2018 WL 1876950, at \*1-2 (notification campaign occurred in August and September 2017, while the lawsuit was filed in December 2017). The pop-up here was provided only *after* the *Kater* case had been pending for more than four years,



1 and it did not offer any option to decline—only to accept. Further, the putative class members in  
2 *Adtrader* were commercial entities doing business with Google, not individual consumers with  
3 gambling addictions. To the extent that *Adtrader* holds that courts can’t act to protect the  
4 interests of putative class members before certification, it conflicts with *Gulf Oil*, which clearly  
5 permits issuance of an “order limiting communications between parties and potential class  
6 members[.]” 452 U.S. at 101. *Adtrader* does not address *Gulf Oil*.

7 Finally, Defendants’ argument assumes that they are going to win their pending motions  
8 to compel arbitration. While this is not the time to argue those stayed motions, suffice it to say  
9 that the question is indisputably up in the air. The Court denied similar motions in three other  
10 related cases and is waiting to consider Defendants’ motions pending potentially dispositive  
11 appellate review. The pop-up and updated Terms of Use give putative class members absolutely  
12 no indication that any of that is occurring. Defendants’ communications merely assume, like  
13 their brief, that Defendants are right and will prevail. For non-lawyer putative class members—  
14 particularly those whose only other experience with class actions is a court-ordered notice of a  
15 class action settlement—Defendants’ strong implication that these matters are already decided  
16 and that there’s nothing putative class members can do about it is, on its own, highly misleading.

17 **C. Defendants Are Attempting to Influence Putative Class Members’ Decisions**  
18 **to Participate in this Action.**

19 Plaintiffs are also likely to succeed based on evidence of Defendants’ attempt to  
20 discourage putative class members from participating in this litigation. Defendants do not dispute  
21 that it would be improper to solicit opt-outs; they merely insist that is not what they are doing.  
22 But that position can’t be squared with Defendants’ actions. It is implausible that purely altruistic  
23 reasons motivated Defendants to pay their lawyers to update the Terms of Use, then pay their  
24 developers to create and deploy a new pop-up window undoubtedly drafted by their lawyers. If  
25 the pop-up were merely a “communication of additional information regarding the effect of the  
26 Arbitration Provision” that “in no way discouraged participation in these class actions,” then  
27

1 there would have been no reason to identify these cases *by name*. (Opp. 11.) In fact, no  
 2 additional communication would have been needed.

3 Defendants likely intend to use these communications to discourage participation in these  
 4 class actions. They may simply rely on having created a mistaken belief among putative class  
 5 members that they can't participate in these cases. If Defendants lose their motions to compel  
 6 arbitration on the basis that they provided insufficient notice of the Terms (as have, before this  
 7 Court, other online casinos in related cases), then they will almost certainly argue that putative  
 8 class members agreed to arbitration when they clicked "I Agree" on the pop-up. Unless  
 9 Defendants are willing to disavow that position, their argument that they aren't trying to affect  
 10 putative class members' legal rights with respect to this litigation is extraordinarily disingenuous.

11 Whether this involves misleading communications, an unauthorized opt-out campaign, or  
 12 both, Defendants' actions here are obnoxious to the orderly administration of justice. *See, e.g.,*  
 13 *Shulman v. Becker & Poliakoff, LLP*, No. 17-cv-9330, 2018 WL 4961003, at \*3 (S.D.N.Y. Oct.  
 14 15, 2018) ("[J]udicial intervention is warranted when communications pose 'a serious threat to  
 15 the fairness of the litigation process, the adequacy of representation and the administration of  
 16 justice generally.'"); *Keystone Tobacco Co., Inc v. U.S. Tobacco Co.*, 238 F. Supp. 2d 151, 154–  
 17 55 (D.D.C. 2002) ("The effect of a defendant attempting to influence potential plaintiffs not to  
 18 join a potential class action is just as damaging to the purposes of Rule 23 as a defendant that  
 19 influences members of an already certified class to opt out.") (quoting *Jenifer v. Delaware Solid*  
 20 *Waste Auth.*, No. Civ. A. 98-270, 1999 WL 117762, at \*2 (D. Del. 1999)). Plaintiffs are likely to  
 21 be able to demonstrate that the communications were improper.

## 22 **II. The Harm to Putative Class Members Is Non-Speculative and Irreparable.**

23 Defendants' position regarding irreparable harm boils down to two points. First, they  
 24 argue at length that because no certified class exists, the Court can't find irreparable harm. That's  
 25 inaccurate. Even where interim counsel has not been formally appointed, "class attorneys,  
 26 purporting to represent a class ... owe the entire class a fiduciary duty once the class complaint is  
 27

1 filed.” *Staton v. Boeing Co.*, 327 F.3d 938, 960 (9th Cir. 2003) (citation omitted). The named  
 2 plaintiffs, for their part, have a significant personal economic interest in proceeding with this  
 3 case as a class action in court. *Deposit Guar. Nat’l Bank, Jackson, Miss. v. Roper*, 445 U.S. 326,  
 4 338 & n.9 (1980). Defendants’ conduct is directed at convincing putative class members not to  
 5 participate in these cases, which directly impacts that interest.

6 In addition, Rule 23(d) clearly permits the Court to restrict communications with putative  
 7 class members about the litigation, and it requires the Court to consider the effect that  
 8 communications have on the putative class members, not on the named plaintiffs. *Gulf Oil*, 452  
 9 U.S. at 100. Given that Plaintiffs are authorized to seek this ultimate relief on behalf of the  
 10 putative class, it would be strange if they were not permitted to seek *temporary* relief directed at  
 11 exactly the same thing. Under Defendants’ view, a TRO restricting Defendants’ misleading  
 12 communications to putative class members could never issue under any circumstances, because  
 13 the named plaintiffs—being represented by counsel—aren’t likely to be misled.

14 Second, Defendants contend that the harm is not irreparable. However, instead of  
 15 meaningfully distinguishing the cases that hold that misleading putative class members is likely  
 16 irreparable harm, they merely point out irrelevant factual and procedural differences between  
 17 those cases and these. Defendants also point to a narrow set of circumstances—the case where  
 18 they win their motions to compel arbitration—where it is possible that no irreparable harm will  
 19 result from their misleading communications. But the TRO standard doesn’t require Plaintiffs to  
 20 show that irreparable harm will certainly result if relief isn’t granted, only “that irreparable injury  
 21 is *likely* in the absence of an injunction.” *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 22  
 22 (2008). Plaintiffs have done so.

23 In any event, later in their brief, Defendants identify the *exact* irreparable harm that will  
 24 occur absent a TRO: “genuine and significant customer frustration and confusion[.]” (Opp. 22.)  
 25 But while Defendants try to spin that harm as affecting them, it’s unquestionably bad for absent  
 26 class members. If Defendants had maintained the status quo instead of taking advantage of the  
 27

litigation stay to make misleading and coercive communications to putative class members for the purpose of gaining strategic advantage, then none of this would have happened. According to Defendants, only 30% of Big Fish players have seen the misleading pop-up so far. That means there is still time to stop Defendants from misleading the remaining 70%. Absent a TRO, Defendants will continue to disseminate their misleading information, causing irreparable harm.

**III. Regardless of Whether a TRO Is Granted, the Court Should Set Aside the Stay to Resolve this Matter.**

Finally, Defendants offer no direct response to Plaintiffs' argument that the Court should grant a limited reprieve from the litigation stay in order to consider this issue. Regardless of whether Plaintiffs have demonstrated their entitlement to a TRO, Defendants' misleading communications create a problem that should not wait months or years to be solved. As explained above, failure to curb this type of abusive behavior will be detrimental to the Court's ability to administer these cases.

One way to resolve the issue would be for the Court to find that Defendants' communications were misleading and invalidate any purported arbitration agreement that they may have obtained by way of the pop-up or the August 28 terms. That resolution would be in line with many other courts' solutions to similar problems. *See, e.g., Balasanyan v. Nordstrom, Inc.*, No. 10-CV-2671-JM-WMC, 2012 WL 760566, at \*4 (S.D. Cal. Mar. 8, 2012); *Jimenez v. Menzies Aviation Inc.*, No. 15-CV-02392-WHO, 2015 WL 4914727, at \*5 (N.D. Cal. Aug. 17, 2015); *Astra*, 2010 WL 2724512, at \*3. The Court could then order corrective notice, direct a return to the pre-filing status quo with respect to the arbitration provision, and prevent Defendants from communicating with putative class members about any arbitration agreement.

Another solution would be to appoint Plaintiffs' counsel as interim counsel pursuant to Rule 23(g)(3) to act on behalf of the putative class for the purpose of communicating with Defendants regarding any attempt to impose a post-dispute arbitration provision, including deciding whether to accede to such a provision. As the Court has already recognized, sending these cases to an arbitrator who is not bound by the Ninth Circuit's holding in *Kater* would

disadvantage Plaintiffs' position. (*See* dkt. 75 at 10-11.) The Court has also signaled the strength of Plaintiffs' position on the merits. (*See id.* at 8.) When deciding whether to participate in these cases, putative class members deserve to know—or to be represented by someone who knows—the whole story. An appointment of interim class counsel could be done in conjunction with invalidating Defendants' attempt to change the Terms of Use, *see Astra*, 2010 WL 2724512, at \*6, or the Court could extend the 30-day opt-out in the Terms of Use period by a reasonable time, *see O'Connor v. Uber Techs., Inc.*, No. C-13-3826 EMC, 2013 WL 6407583, at \*7 (N.D. Cal. Dec. 6, 2013). As interim class counsel, Plaintiffs' counsel could determine whether it was appropriate to opt all putative class members out of the arbitration provision, then send opt-out notices to the Defendant on putative class members' behalf. The appointment could also provide that any further changes to the Terms of Use that relate to this litigation would need to be communicated to interim class counsel, rather than directly to putative class members, which would prevent this problem from reoccurring in the future without limiting Defendants' speech rights beyond the customary restrictions on speaking to represented parties.<sup>3</sup>

On this motion, the Court need not necessarily decide which avenue of relief, if any, is warranted. Plaintiffs raise these issues to demonstrate that it is appropriate for the Court to lift the stay and resolve this issue quickly, and Plaintiffs respectfully request that the Court do so.

DATED this 31st day of October, 2019.

By: s/ Janissa A. Strabuk

<sup>3</sup> Defendants cite a single district court case which they say stands for the proposition that “putative class members are not represented unless and until a class is certified.” (Opp. 22.) In fact, that court merely held that the order appointing interim class counsel *in that particular case* was not intended to create an attorney-client relationship. That doesn't make it categorically impossible.

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